

SPECIMEN

Time: 1 hour

General Certificate of Secondary Education

A292

Business Studies

Unit A292: Business and People

Specimen Paper

Candidates answer on the question paper. **Additional materials:**

Calculators may be used

Candidate	Candidate
Forename	Surname
Centre Number	Candidate Number

INSTRUCTIONS TO CANDIDATES

- Write your name in capital letters, your Centre Number and Candidate Number in the boxes above.
- Use black ink. Pencil may be used for graphs and diagrams only.
- Read each answer carefully and make sure you know what you have to do before starting your answer.
- Answer all the questions.
- Do not write in the bar codes.
- Do not write outside the box bordering each page.
- Write your answer to each question in the space provided.

INFORMATION FOR CANDIDATES

- The number of marks for each question is given in brackets [] at the end of each question or part question.
- The total number of marks for this paper is 60.
- Your Quality of Written Communication is assessed on the questions marked with an asterisk (*).

FOR EXAMINER'S USE		
1		
2		
TOTAL		

This document consists of 9 printed pages and 3 blank pages.

[Turn over

Answer all questions.

- 1 Barbara and John decided to give up their high-pressure jobs in London and open a craft shop in a town on the coast in North Wales. The shop will sell different products made and designed by Barbara and John. The business will run as a partnership.
 - (a) (i) Complete the following sentences. Choose a different word from the table to fill in each space.

		Six	Liability	Skills	Capital	Profits	Two
	·		or more pe	eople set up par	tnerships.		
		Work is sha employed.	ared and differe	ent partners w	ith different		can be
		Partnerships	have unlimited		4//		[3]
	(ii)	Identify and e and the tertia	explain the reason ry sector.	ns why the craft	shop is part of bo	oth the seconda	ry sector
						[3]	
	(b)* Analyse two reasons why the craft shop might be dependent on other businesses in the local area.			es in the			
Reason 1							
	 Rea:	son 2					
							[6]

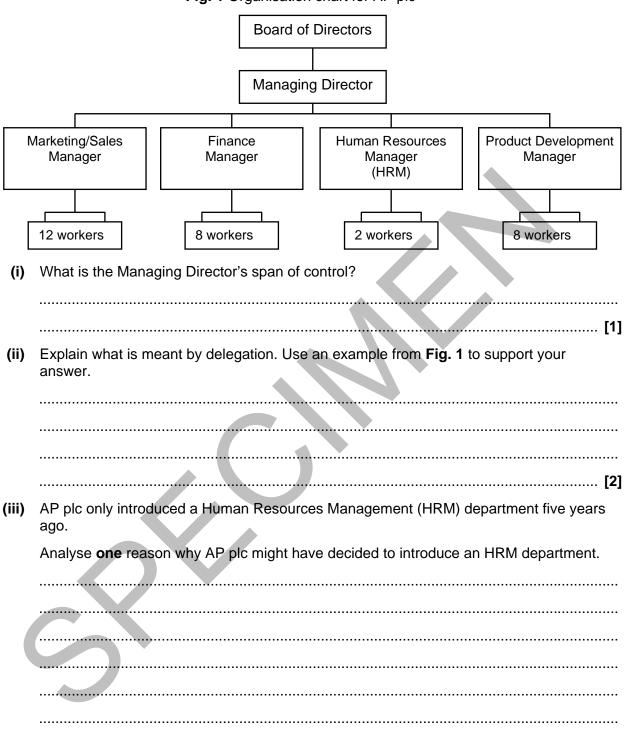
(c)		Identify and explain two factors which Barbara and John may have considered when deciding on the location of their craft shop.			
	Fac	etor 1			
	Fac	etor 2			
		[4]			
(d)		bara and John's main objective in their first year of business is to survive . Barbara feels tkeeping accurate records will help them meet this objective.			
	(i)	Identify two reasons why keeping accurate records will help a business survive in its first year.			
		Reason 1			
		Reason 2			
		[2]			
	(ii)	Identify and explain two reasons why Barbara and John's objective might change after their first year of business.			
		Reason 1			
		Reason 2			
		[41]			

	[Total

(a) (i)	Analyse two reasons why AP plc employs a manager at each of its activity centres.
	Reason 1
	Reason 2
	Which two of the following would AP plc normally provide for its managers? Tick two boxes. TICK two boxes Training
	Free travel to work
	Royalty payments
	Uniform

(b) Fig. 1 shows the organisation chart for AP plc.

Fig. 1 Organisation chart for AP plc



(c)*	Ahr	med and his wife Jean are managers at one of the activity centres.
	buil disc	by have asked the Human Resources Manager to recruit a team leader to run the team ding exercises at their activity centre. They are aware that government laws on crimination will affect how the Human Resources Manager selects the right person for job.
		cuss two reasons why government laws on discrimination are important when sidering the recruitment and selection process for the team leader.
		[6]
(d)	(i)	The Human Resources Department has decided to use internal recruitment to recruit the new team leader from its present workforce.
		Identify and explain two advantages to the business of internal recruitment.
		Advantage 1
		Advantage 2

[4]

(ii) Which **two** of the following factors would be found in a person specification? Tick **two** boxes.

FACTORS	TICK two boxes
Health and safety	
Payment	
Communication skills	
Physical ability	

ı	2	ı	
		•	

(e)	AP plc motivates its employees using a combination of wages and profit sharing.
	Last year AP plc earned a profit of £500,000 and 10% of this profit is shared between its
	employees.

/:\	Calculate how much		la a facilia a la filo a la casa de la	 Ol
<i>1</i> 1 1	Calculate now muci	n manav je enarad	natwaan tna ami	Show vollr working
.	Calculate How Hilder	I IIIOIICV IS SHAICU		. OHOW YOU WORKING

Answer	
,	

[2]

(ii)* AP plc wants to increase the motivation of its employees. One director wants to increase the amount of the profit paid to its employees. Another director thinks it would be better to increase wage rates.

Recommend which method AP plc should use in order to increase the motivation of its employees. Give reasons for your recommendation.

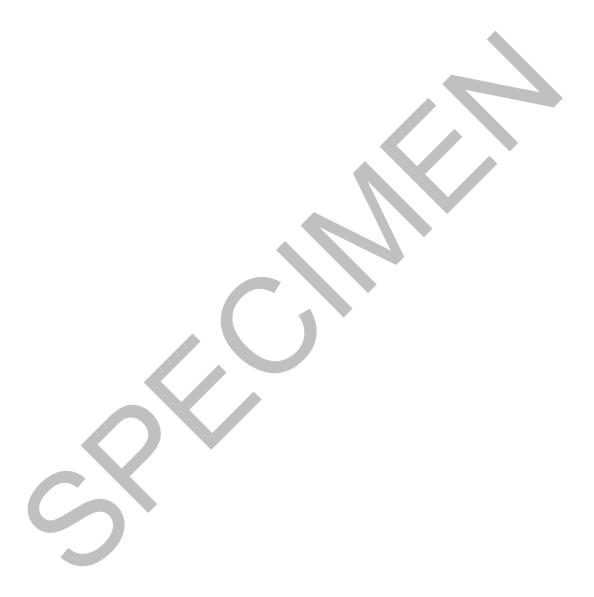
[Total: 34]

[Paper Total: 60]









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OXFORD CAMBRIDGE AND RSA EXAMINATIONS

General Certificate of Secondary Education

BUSINESS STUDIES

A292

Unit A292: Business and People

Specimen Mark Scheme

The maximum mark for this paper is 60.



Question Number	Answer	Max Mark
1(a)(i)	Barbara and John decided to give up their high-pressure jobs in London and open a craft shop in a town on the coast in North Wales. The shop will sell different products made and designed by Barbara and John. The business is run as a partnership. Use three of the following terms once to complete each of the following sentences.	
	Target: To demonstrate knowledge of the features of business ownership	
	For three marks:	
	Two (1)	
	Skills (1) Liability (1)	[3]
1(a)(ii)	Identify and explain the reasons why the craft shop is part of both the secondary sector and the tertiary sector.	
	Target: To apply knowledge and understanding of primary, secondary and tertiary sectors applied to the context	
	Up to two marks for each explanation. One mark for each correct identification of a reason up to a maximum of two reasons plus up to a maximum of one further mark for an explanation of one or other reason.	
	Possible responses may include:	
	 Secondary because it makes products (1) such as crafts (1) and tertiary because it sells them (1) and/or offers a service (1); 	
	Any other valid suggestion.	[3]
1(b)*	Analyse <u>two</u> reasons why the craft shop might be dependent on other businesses in the local area.	
	Target: To apply knowledge and understanding of the concept of interdependence in order to analyse how interdependence influences business activity Level 3 (5-6 marks)	
	Candidate analyses at least one reason why the business might be dependent on other businesses in the local area. Max 5 marks if only one reason analysed.	
	Relatively straight forward ideas have been expressed with some clarity and fluency. Arguments are generally relevant, though may stray from the point of the question. There will be some errors of spelling, punctuation and grammar but these are unlikely to be intrusive or obscure meaning. Level 2 (3-4 marks)	
	Candidate applies knowledge of likely reason(s) why a business might be dependent on other businesses in a local area.	
	Simple ideas have been expressed in an appropriate context. There are likely to be some errors of spelling, punctuation and grammar of which some may be noticeable and intrusive.	

Question Number	Answer	Max Mark
1(b)* cont	Level 1 (1-2 marks) Candidate identifies likely reason(s) why a business might be dependent on other businesses. Some simple ideas have been expressed. There will be some errors of spelling, punctuation and grammar which will be noticeable and intrusive. Possible responses may include: • supply materials; • banks for cash and borrowing; • accountants/solicitors for legal advice; • delivery firms for materials and stock. O marks – no response or no response worthy of credit. Exemplar: A business will need to get supplies from other businesses (L1) in order to make their products (L2). For example they need to buy raw materials. Barbara and John may decide to get these locally which will benefit the community or go further a field if prices are cheaper (L3). They will probably use the local bank to run their business account which may enable them to develop a closer relationship with the manager. Either way the business will be dependent on other businesses for success (L3). Identify and explain two factors which Barbara and John may have	[6]
	considered when deciding on the location of their craft shop. Target: To apply knowledge and understanding of factors influencing business location Up to two marks for each explanation. One mark for each correct identification up to a maximum of two identifications plus up to a further one mark for each of two explanations Possible responses may include: • jobs too demanding in London; • more relaxed lifestyle; • total change of direction; • nice area/scenery; • work/life balance; • tourist area; • any other valid suggestion. Exemplar: Barbara and John might have relocated because they were tired of the constant demands of their busy lives in the city (1). They moved so that they could run their own business where they would have total control of their lives (1).	[4]

Question Number	Answer	Max Mark
1(d)(i) 1(d)(ii)	Barbara and John's main objective in their first year of business is to survive. Barbara feels that keeping accurate records will help them meet this objective. Identify two reasons why keeping accurate records will help a business survive in its first year. Target: To demonstrate knowledge of business objectives/survival/keeping accurate records. One mark each for a correct identification up to a maximum of two identifications Possible responses may include: The ability to determine the • level of sales (1); • level of profit (1); • break-even (1); • level of debt (1); • number of customers (1); • cost control (1); • any other valid suggestion. Identify and explain two reasons why Barbara and John's objective might change after their first year of business. To apply knowledge and understanding of business objectives and how they may change over time Up to two marks for each explanation. One mark for each correct identification up to a maximum of two identifications plus up to a further one mark for each of two explanations Possible responses may include: • improved reputation; • quality products; • links with community; • assessed market and seasons;	[2]
	 might want to expand; survival is reasonable in the first year but in the long run businesses need to aim for profit; any other valid suggestion. Exemplar: In the first year Barbara and John want to make sure that they can at least cover their costs (1). After the first year they will want to start to make a reasonable amount of money/profit so that they can have a reasonable standard of living in North Wales (1). 	[4]

Question Number	Answer	Max Mark
1(e)	Analyse <u>one</u> way in which using ICT might be useful to Barbara and John in running their business.	
	Target: To apply knowledge and understanding of using ICT in order to analyse way(s) in which using ICT might be useful to Barbara and John in running their business	
	Level 3 (3-4 marks) Candidate analyses a way in which using ICT might be useful to Barbara and John in running their business.	
	Level 2 (2 marks) Candidate applies knowledge of the way in which using ICT might be useful in running a business.	
	Level 1 (1 mark) Candidate identifies a way in which using ICT might be useful in running a business.	
	database of customers/suppliers;mobile phones;	
	internet banking;	
	any other valid suggestion.	
	0 marks – no response or no response worthy of credit.	
	Possible responses may include: • internet for web page/advertising/sales;	
	internet for web page/advertising/sales;email for customers/suppliers etc;	
	 spreadsheets for accounts; 	
	Exemplar: Using ICT will be useful to the business because it allows many things to be done quickly especially communication and keeping records (L1). They will probably use mobile phones to contact each other when they are away from the shop. This will be particularly important when out at schools running workshops (L2). It will be much easier, quicker and less expensive to advertise on a web page and they would	
	be able to widen their market (L3).	
		[4]
	Question 1 Total	[26]

Question Number	Answer	Max Mark
2(a)(i)*	Action Plans plc (AP plc) is a large company which organises team building training for large businesses. This training takes place at activity centres. All the activity centres are run by a manager who lives on the premises.	
	Analyse <u>one</u> reason why AP plc employs a manager at each of its activity centres.	
	Target: To apply knowledge and understanding of business organisations in order to analyse why the business employs a manager at each of its activity centres	
	Level 3 (5-6 marks)	
	Candidate analyses a reason(s) why AP plc employs a manager at each of its activity centres.	
	Relatively straight forward ideas have been expressed with some clarity and fluency. Arguments are generally relevant, though may stray from the point of the question. There will be some errors of spelling, punctuation and grammar but these are unlikely to be intrusive or obscure meaning.	
	Level 2 (3-4 marks) Candidate applies knowledge of why managers are employed by a	
	business.	
	Simple ideas have been expressed in an appropriate context. There are likely to be some errors of spelling, punctuation and grammar of which some may be noticeable and intrusive.	
	Level 1(1-2 marks)	
	Candidate identifies a reason(s) why managers are employed by a business.	
	Some simple ideas have been expressed. There will be some errors of spelling, punctuation and grammar which will be noticeable and intrusive.	
	0 marks – no response or no response worthy of credit.	
	Possible responses may include: local knowledge;	
	local knowledge;available when customers are present;	
	de-centralised control;	
	any other valid suggestion.	
	Exemplar: A business should operate more efficiently with a manager	
	overseeing its operations (L1). A manager would be present at each of AP plc's activity centres and, therefore, may better meet the needs of	
	individual customers. This could result in a better quality of service for	
	customers which may lead to more repeat bookings and/or repeat	[6]
	business (L3).	[6]

Question Number	Answer			
2(a)(ii)	Which two of the following would AP plc normally provide for its managers? Tick two boxes. Target: To demonstrate knowledge of employee benefits One mark for each correct identification up to a maximum of two identifications. Accept the first two identifications only.			
	TICK two boxes			
	Training ✓			
	Free travel to work			
	Royalty payments			
	Uniform	[2]		
2(b)(i)	What is the Managing Director's span of control? Target: To demonstrate knowledge of the internal organisation of a business For one mark: MD's span of control is 4			
2(b)(ii)	Explain what is meant by delegation. Use an example from Fig. 1 to support your answer. Target: To apply knowledge and understanding of the internal organisation of a business Up to two marks for explanation. Possible responses may include:			
	Delegation is the passing down of jobs or decisions to a subordinate (1). In Fig. 1 the MD could delegate jobs to the marketing manager (1).			

Question Number	Answer	Max Mark
2(b)(iii)	AP plc only introduced a Human Resources Management (HRM) department five years ago.	
	Analyse <u>one</u> reason why AP plc might have decided to introduce an HRM department.	
	Target: To apply knowledge and understanding of the internal organisation of the business in order to analyse why the internal organisation might change over time	
	Level 3 (3-4 marks) Candidate analyses reason(s) why AP plc might have introduced an HRM department.	
i	Level 2 (2 marks)	
	Candidate applies knowledge of HRM.	
	Level 1 (1 mark)	
	Candidate demonstrates knowledge of HRM.	
	0 marks – no response or no response worthy of credit.	
	Possible responses may include:	
	A separate department to deal with	
	 workforce planning/recruitment/reward/dismissal; 	
	• training;	
	staff development;	
	appraisal;	
	motivation;	
	 employees/franchisees needs/social/welfare activities. 	
	Exemplar: As a business gets bigger it may become much more interested in the development of their staff and planning their staffing needs for the future (L1). This means that jobs such as recruitment, which may previously have taken place within each department, can now be centralised within a specialist department. AP plc may have realised that the workforce is an important part of the business and that training, in	
	particular, needs to be of the same standard throughout the organisation. This can only be achieved if the HRM is centralised (L2).	[4]

Question Number	Answer	Max Mark
2(c)*	Ahmed and his wife Jean are managers at one of the activity centres.	
	They have asked the Human Resources Manager to recruit a team leader to run the team building exercises at their activity centre. They are aware that government laws on discrimination will affect how the Human Resources Manager selects the right person for the job.	
	Discuss <u>two</u> reasons why government laws on discrimination are important when considering the recruitment and selection process for the team leader.	
	Target: To apply knowledge and understanding of the laws relating to discrimination in order to analyse and evaluate the importance of these laws in this context	
	Level 3 (5-6 marks) Candidate analyses and evaluates the importance of laws on discrimination (sex, age, race, disability) in relation to the recruitment and selection process for the team leader. Max 5 marks if only one reason discussed. Evaluation required for max 6 marks.	
	Relatively straight forward ideas have been expressed with some clarity and fluency. Arguments are generally relevant, though may stray from the point of the question. There will be some errors of spelling, punctuation and grammar but these are unlikely to be intrusive or obscure meaning. Level 2 (3-4 marks)	
	Candidate applies knowledge of the laws on discrimination (sex, age, colour, disability) in relation to the recruitment and selection. Simple ideas have been expressed in an appropriate context. There are	
	likely to be some errors of spelling, punctuation and grammar of which some may be noticeable and intrusive. Level 1 (1-2 marks)	
	Candidate identifies ways in which the laws on discrimination (sex, age, colour, disability) affect a business.	
	Some simple ideas have been expressed. There will be some errors of spelling, punctuation and grammar which will be noticeable and intrusive. Possible responses may include references to:	
	 sex discrimination; race discrimination; age discrimination; 	
	 result of breaking the law – tribunals/compensation. 0 marks – no response or no response worthy of credit. 	
	Exemplar: The laws on discrimination mean that in most cases businesses cannot discriminate on the basis of sex, race, age and in some cases disability (L1).	
	Some posts will require certain levels of physical fitness which may prohibit some people from being selected (L2). In this case the business may argue that the job needs a young fit person but as it is a team leader this may not be the case and an older more experienced person may be	
	better in terms of knowledge and ability to lead (L3).	[6]

Question Number		Answer		Max Mark
2(d)(i)	The Human Resources Department has decided to use internal recruitment to recruit the new team leader from its present workforce. Identify and explain two advantages to the business of internal			
	recruitment.	,		
2(d)(ii)	selection method Up to two marks identification up one mark for ea Possible respor • knowledge o • existing skill • lower cost/n • quicker; • no induction • any other va Exemplar: It was recruit internally applicants (1) / They would know in terms of physion Which two of t specification?	o advertising/travelling;	and cheaper for AP plc to have to advertise for ould be important for this job	[4]
		ds and procedures ach correct identification up to	a maximum of two	
		Accept the first two identificat		
		FACTORS	TICK two boxes	
		Health and safety		
		Payment		
		Communication skills	✓	
		Physical ability	✓	[2]

Question Number	Answer	Max Mark
2(e)(i)	AP plc motivates its employees using a combination of wages and profit sharing.	
	Last year AP plc earned a profit of £500,000 and 10% of this profit is shared between its employees.	
	Calculate how much money is shared between the employees. Show your working.	
	Target: To apply knowledge and understanding of business calculations. Up to two marks. Two marks for a correct answer and up to a maximum of one mark for an appropriate method. $10\% \text{ of } £500,000(1) = £50,000 (1)$	[2]
2(e)(ii)*	AP plc wants to increase the motivation of its employees. One director wants to increase the amount of the profit paid to its employees. Another director thinks it would be better to increase wage rates.	
	Recommend which method AP plc should use in order to increase the motivation of its employees. Give reasons for your recommendation.	
	Target: To apply knowledge and understanding of methods of remuneration and/or motivation in practice in order to analyse and evaluate their use in this context	
	Level 3 (3-5 marks) Candidate analyses and evaluates one or other or both methods and makes a supported judgement about which remuneration method would be best for the motivation of the employees. Evaluation required for max 5 marks.	
	Relatively straight forward ideas have been expressed with some clarity and fluency. Arguments are generally relevant, though may stray from the point of the question. There will be some errors of spelling, punctuation and grammar but these are unlikely to be intrusive or obscure meaning. Level 2 (2 marks)	
	Candidate applies knowledge of one or other or both methods. Simple ideas have been expressed in an appropriate context. There are likely to be some errors of spelling, punctuation and grammar of which some may be noticeable and intrusive. Level 1 (1 mark)	
	Candidate demonstrates knowledge of one or other or both methods. Some simple ideas have been expressed. There will be some errors of spelling, punctuation and grammar which will be noticeable and intrusive. 0 marks – no response or no response worthy of credit. Possible responses include:	
	 Arguments in support of an increased profit share %age: everyone gets it, not dependent on measurement of ability or work; bonus once a year; employees feel 'involved' in the whole business. 	

Question Number	Answer	Max Mark
2(e)(ii)* cont	Arguments against an increased profit share %age: unfair on harder workers, who have been there a long time etc; no direct control over profit making; doesn't improve the job itself; no immediate reward. Arguments in favour of an increase in wages: immediate payment; based on amount of time, work and hours; financial reward is important; more personal; many employees not interested in profit levels; Have no control over revenue and cost levels. Arguments against an increase in wages no whole business/team identity; can get wages anywhere. Exemplar: Profit sharing is only based on the amount of profit that a business makes and depends on everyone doing their best. Wages and overtime can be paid on a different basis and can depend on how long and hard a person works (L1). The employees may think that some people do not work as hard as others and, therefore, should not get the same %. This can lead to low morale and motivation which could lead to absenteeism or poor quality service/accidents (L2). Crucially the employees have minimal control over the costs of the business. These are controlled by Ahmed and Jean and, therefore, it is difficult for them to influence the level of profits. For this reason I would recommend an increase in wages as the best method of increasing motivation whilst recognising that motivation is affected by many factors other than just pay (L3).	[5]
	Question 2 Total	[34]
	Paper Total	[60]

Assessment Objectives Grid (includes QWC)

Question	AO1	AO2	AO3	Total
1(a)(i)	3	-	-	3
1(a)(ii)	2	1	-	3
1(b)*	2	2	2	6
1(c)	2	2	1	4
1(d)(i)	2	1	1	2
1(d)(ii)	2	2	-	4
1(e)	1	1	2	4
2(a)(i)*	2	2	2	6
2(a)(ii)	2	-	-	2
2(b)(i)	1	1	-	1
2(b)(ii)	1	1	-	2
2(b)(iii)	1	1	2	4
2(c)*	2	2	2	6
2(d)(i)	2	2		4
2(d)(ii)	2	-	-	2
2(e)(i)	-	2	-	2
2(e)(ii)*	1	1	3	5
Totals	28	19	13	60